

a plurality of user stations at the customer households, the user stations including means permitting the customer household to preselect transmitted music selections for recording;

a receiver and associated recording means at the customer households for recording preselected music selections for unrestricted playback;

a central controller system having a database for storing therein an address corresponding to each customer household;

a communications link between the customer households and the central controller system to verify to the controller system when a preselected music selection has been recorded;

a billing system associated with the central controller system to bill customer households for music selections that are recorded; and

antipiracy means for including a digital ID tag into the recorded music selections to identify the customer household at which the recording is made.

2. (Amended) A method of distributing music to customer households comprising the steps of:

blanket transmitting a plurality of music selections to customer households by direct broadcast satellite (DBS) at data transmission rates faster than real time;

providing each customer household with information identifying available music selections that will be transmitted;

permitting each customer household to preselect and record transmitted music selections in standardized format;

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permitting the customer households to permanently select recorded music selections for unrestricted playback and to include a digital ID tag in the recorded music to identify the customer household at which the recording is made;

communicating permanent selection information from the customer households to a central controller system; and

billing the customer households for the recorded music selections that are permanently selected.

Cont C1
Sub 3
(Amended) A system for distributing music to customers, comprising:
a data transmission system for transmitting a plurality of music selections;
a plurality of user stations at dispersed customer locations for receiving the transmitted music selections, the user stations including means for a customer to select and store one or more of the received music selections, and a recording device for permanently recording one or more of the stored music selections;

a central controller system,

a communications link between the customer locations and the central controller system to verify to the controller system when the stored music selections have been permanently recorded;

a billing system associated with the central controller system to bill the customer locations for the permanently recorded music selections; and

anti-piracy means to identify the customer locations at which the recordings are made.

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Sub D2

15. (Amended) A music distribution method, comprising:
transmitting a plurality of music selections;
using a plurality of user stations at dispersed customer locations, to receive and store the transmitted music selections;
permanently recording one or more of the stored music selections;
using a communications link between the customer locations and a central controller system to verify to the controller system when the music selections have been permanently recorded;
using the central controller system to bill the customer locations for the music selections that are permanently recorded; and
providing the transmitted music selections with an anti-piracy feature to identify the customer locations at which the recordings are made.

C3

CA

49. (Amended) The user station of claim 47, wherein the output device comprises a CD-drive.

REMARKS

In the Office Action mailed May 31, 2002, the Examiner rejected claims 1-51 under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 5,959,945 to Kleiman, in view of U.S. Patent No. 5,969,283 to Looney et al. ("Looney"). Applicants respectfully traverse these rejections for the following reasons.

- The rejections of claims 1-9, 13-14, 18-21, and 27-29 as unpatentable under 35 U.S.C. § 103 are respectfully traversed, since a *prima facie* case of obviousness has not been made by the Examiner. To establish a *prima facie* case of obviousness under

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